

AUTHORIZE THE SECOND (FINAL) RENEWAL AGREEMENT WITH BAKER TILLY US, LLP FOR EXTERNAL AUDITING SERVICES

THE INTERIM SUPERINTENDENT/CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the second (final) renewal agreement with Baker Tilly US, LLP to provide External Auditing Services to the Department of Finance at an estimated annual cost set forth in the Financial Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Vendor during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 21-328

Contract Administrator : Pearson, Karen / 773-553-2280

VENDOR:

- 1) Vendor # 89952
BAKER TILLY US, LLP
PO BOX 78975
Milwaukee, WI 53278-8975

Heather Acker
630 645-6215

USER INFORMATION :

Project
Manager: 12410 - Accounting

42 West Madison Street

Chicago, IL 60602

Li, Dongmei

773-553-2710

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report #22-0223-PR3) in the amount of \$2,500,000 is for a term commencing April 1, 2022 and ending on March 31, 2025, with the Board having two (2) options to renew for one (1) year terms. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-3.

The first renewal Agreement (authorized by Board Report #24-1101-PR2) in the amount of \$810,000 is for a term commencing April 1, 2025 and ending on March 31, 2026.

OPTION PERIOD:

The term of this agreement is being renewed for one (1) year commencing April 1, 2026 and ending on March 31, 2027.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendor will continue to provide annual independent audits for the Board that will include:

- A financial audit in accordance with generally accepted auditing standards and government auditing standards;
- A Federal Single Audit in accordance with the U.S. Government Accountability Office, Government Accounting Standards, as amended (also known as the Yellow Book);
- Review of internal controls;
- Review of computer systems and related databases;
- Management Letter of Recommendations that contains findings and best practices noted during the audit;
- Review of the Illinois State Board of Education District Annual Financial Report; and
- Review of the State of Illinois Consolidated Year End Financial Report.

DELIVERABLES:

Vendor will continue to provide the following reports and deliverables:

- Independent auditors' report on the basic financial statements performed in accordance with generally accepted auditing standards and government auditing standards.
- Independent auditors' report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with Federal Uniform Grant Guidance, Title 2, Subtitle A, Chapter II Part 200 (and the State of Illinois Equivalent).
- Independent auditors' reports on internal controls over financial reporting and compliance, including other matters, based on an audit of financial statements performed in accordance with government auditing standards.
- Presentation of audit results including required auditor communications to the Board Members.
- Certification of the Illinois State Board of Education District Annual Financial Report (AFR) Audit to ensure it was prepared in accordance with applicable standards and requirements per 23 Illinois Administrative Code Part 100.
- Management Letter of Recommendations including status of items reported in previous Management Letter; process and procedure improvements noted during the audits; and responses and action plans from management.
- In relation to opinion over the State of Illinois Consolidated Year End Financial Report.
- Other deliverables as agreed to in writing by the Chief Finance Officer.

OUTCOMES:

Vendor's services will result in the issuance of opinion letters in accordance with generally accepted auditing standards (GAAP) and the standards applicable to financial audits contained in Government Auditing Standards. The annual audit will result in a letter of recommendation commenting on an assessment of risk controls to identify and evaluate the effectiveness of internal controls and management risks within the key business processes.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Finance Officer to execute all ancillary documents required to administer or effectuate this agreement.

BUSINESS ENTERPRISE PARTICIPATION:

Pursuant to the Remedial Policy for Minority-Owned Business Enterprise (MBE) and Women-Owned Business Enterprise (WBE) policy participation in Goods and Services contracts, with aspirational goals of 30% MBE and 7% WBE. The vendor has committed to the aspirational goals of 30% MBE and 7% WBE with their strategic plan and subcontractor(s). The Prime vendor has scheduled the following firms:

Total MBE: 30%
Prado and Renteria
1837 S. Michigan Ave.
Chicago, IL 60616
Ownership: Maria de J. Prado

Total WBE: 7%
Pilar Financial Practice Management, LLC.
852 Madison Street
Oak Park, IL 60302
Ownership: Courtney Hayes

Velma Butler & Co.
6 East Monroe Street, suite 400
Chicago, IL 60603
Ownership: Velma Butler

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Unit 12410 - Accounting,

FY26 - \$208,000
FY27 - \$624,000

Not to exceed \$832,000 for the one (1) year term. Future year funding is contingent upon budget appropriation and approval.

Approved Core Category for this Board Report
946.20 Financial - Auditing

Category Codes may be modified by the Chief Procurement Officer as needed to support the Scope of Services.

GENERAL CONDITIONS:

The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy Section 404.2; Ethics provision, in accordance with the Board's Ethics Code as amended, and a Contingent Liability provision.

Approved for Consideration:

PATRICIA HERNANDEZ
Chief Procurement Officer

Approved:

MACQUILINE KING, Ed.D
Interim Superintendent/Chief Executive Officer

Approved: 

ELIZABETH K. BARTON
Acting General Counsel